

BUSINESS VITALITY

The economy of Placer County encourages a range of profitable investment opportunities. Comparatively inexpensive business costs, plentiful skilled labor, abundant resources, and excellent transportation facilities create an outstanding commercial climate.

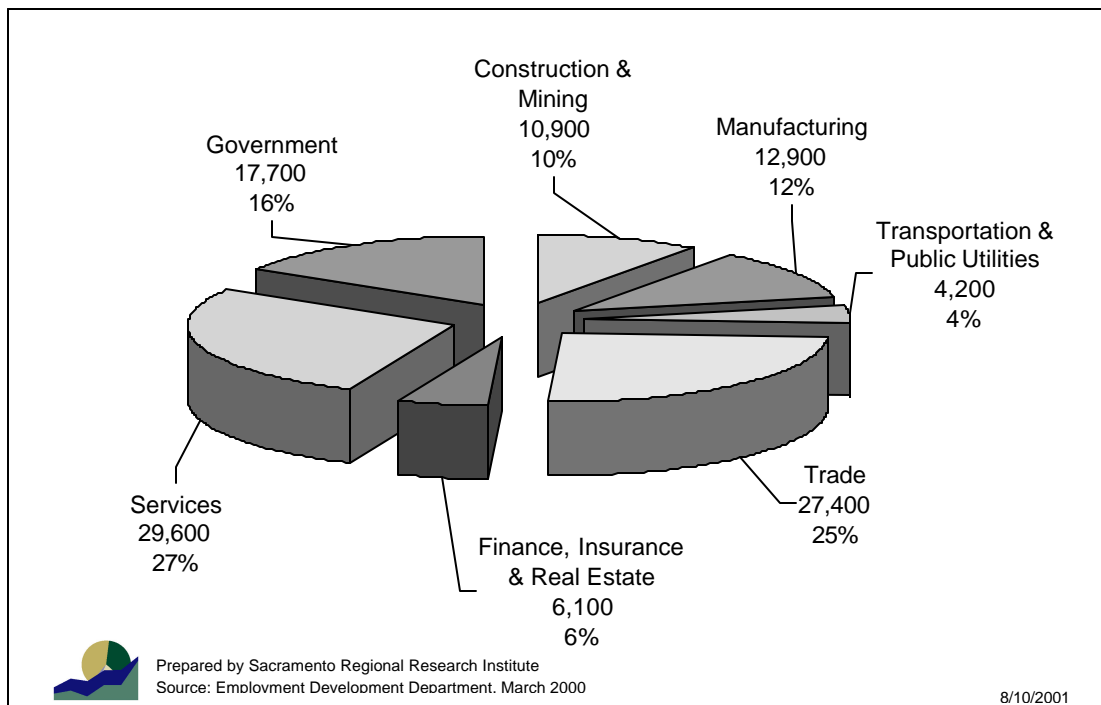
This section covers the market potential of the Greater Sacramento Area, as well as the major influences and contributors to the region's economy.

MARKET POTENTIAL

The economy of Placer County provides a desirable mix of jobs for those migrating to the area. Placer County's diverse economy and geography encompasses North Lake Tahoe, where tourism is the primary economic activity, and South Placer in the Sacramento metropolitan area, where high technology sectors are the leading employers. Employment continues to increase in both of these sectors. Electronics, led by Hewlett-Packard and NEC, employs over 8,000 workers, while employment in Squaw Valley, Northstar, and Alpine Meadows grows to meet the demand of visitors who enjoy year-round activities.

Figure 17 shows that trade and service sectors in Placer County provide over 50 percent of the jobs, and government and manufacturing another 28 percent. Other significant contributors to the economic diversity of the area include construction, finance, insurance, real estate, and transportation and public utilities.

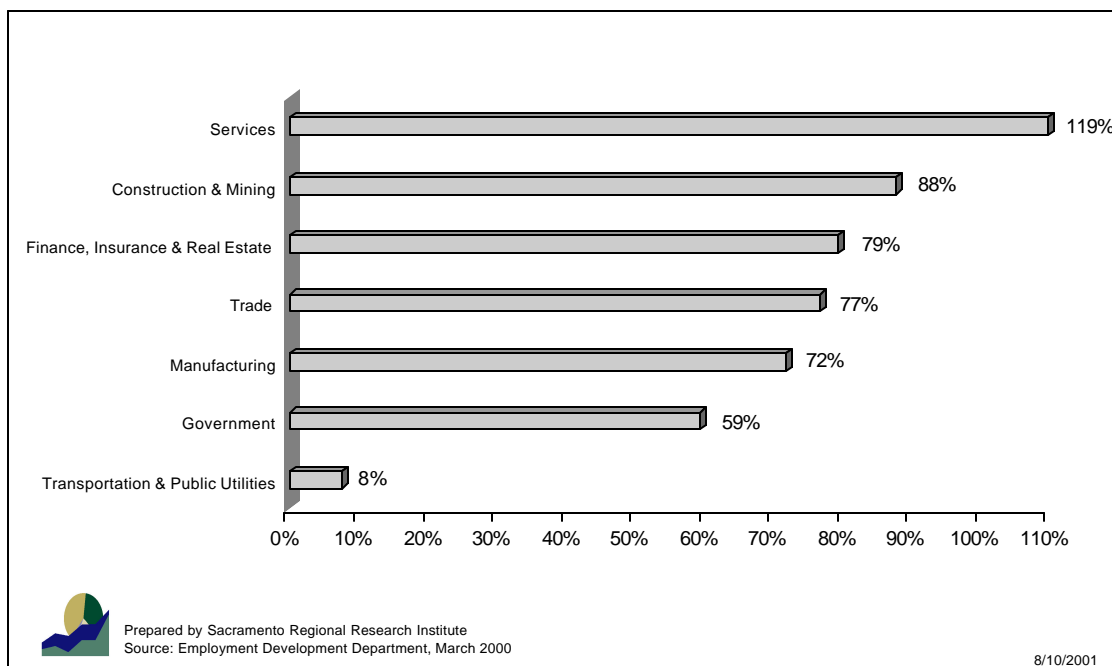
FIGURE 17
EMPLOYMENT STRUCTURE IN PLACER COUNTY
2000



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Figure 18 shows that the services sector, followed by construction, finance, insurance & real estate, trade, and manufacturing sectors experienced the highest growth since 1990.

FIGURE 18
EMPLOYMENT GROWTH SECTORS IN PLACER COUNTY
 1990-2000



SERVICES

The service sector is the largest contributor to the rapid growth of the economy in Placer County. One of the largest employment sectors (trade is the other), it provided 29,600 jobs in 2000 or 27 percent of total employment.

The composition of the service sector in Placer County is illustrated in Figure 19. Employment is concentrated in three major categories: business services, health services and hotels and other lodging. The business services sector includes the computer and software services, data and information services, and other components of the information technology industry.

Employment in the services sector increased from 13,500 in 1990, to 29,600 in 2000, adding 16,100 new jobs over the 10-year period. Figure 20 illustrates the employment growth in the components of the service sector between 1990 and 2000. The rapid growth experienced by the service industry in recent years can be traced primarily to business services components, followed by private educational services, engineering and management, amusement services, and miscellaneous others.

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FIGURE 19
COMPONENTS OF SERVICE EMPLOYMENT IN PLACER COUNTY
2000

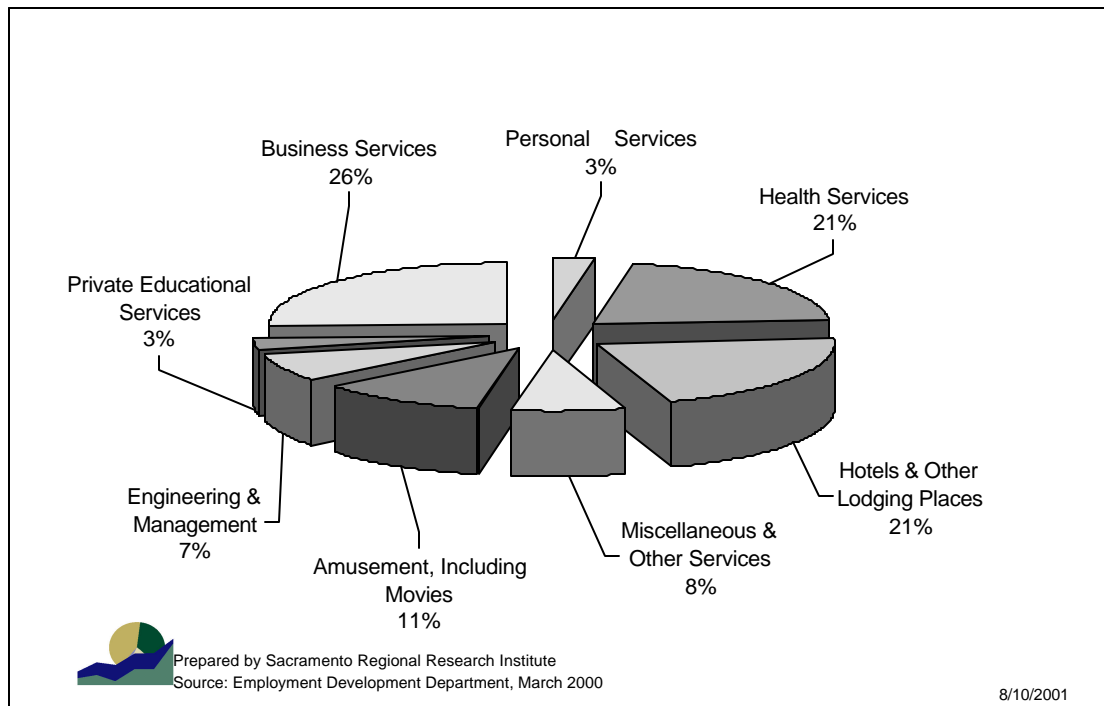
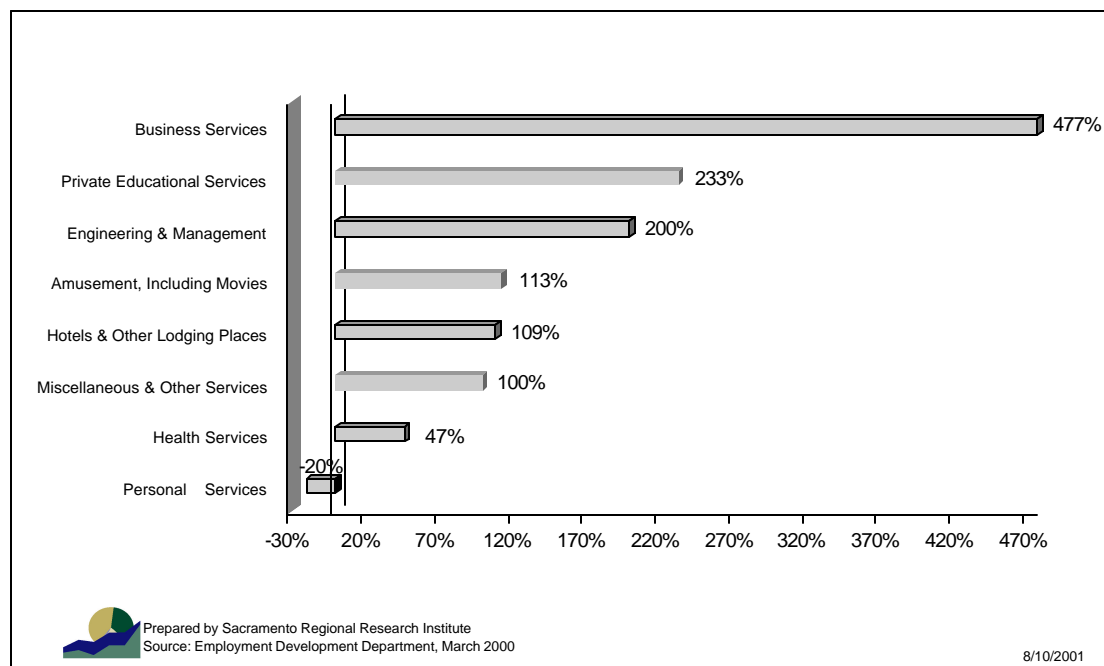


FIGURE 20
EMPLOYMENT GROWTH IN COMPONENTS OF THE SERVICE SECTOR IN PLACER COUNTY
1990-2000



MANUFACTURING

The region's rapidly growing manufacturing sector is a source of pride for the County. Manufacturing currently provides 12 percent of non-farm employment in Placer County. Figure 21 shows that manufacturing employment in Placer County has increased from 7,500 in 1990 to 12,900 in 2000. Most of this growth is due to expansion in manufacturing of electronic equipment.

FIGURE 21
MANUFACTURING EMPLOYMENT GROWTH IN PLACER COUNTY
2000

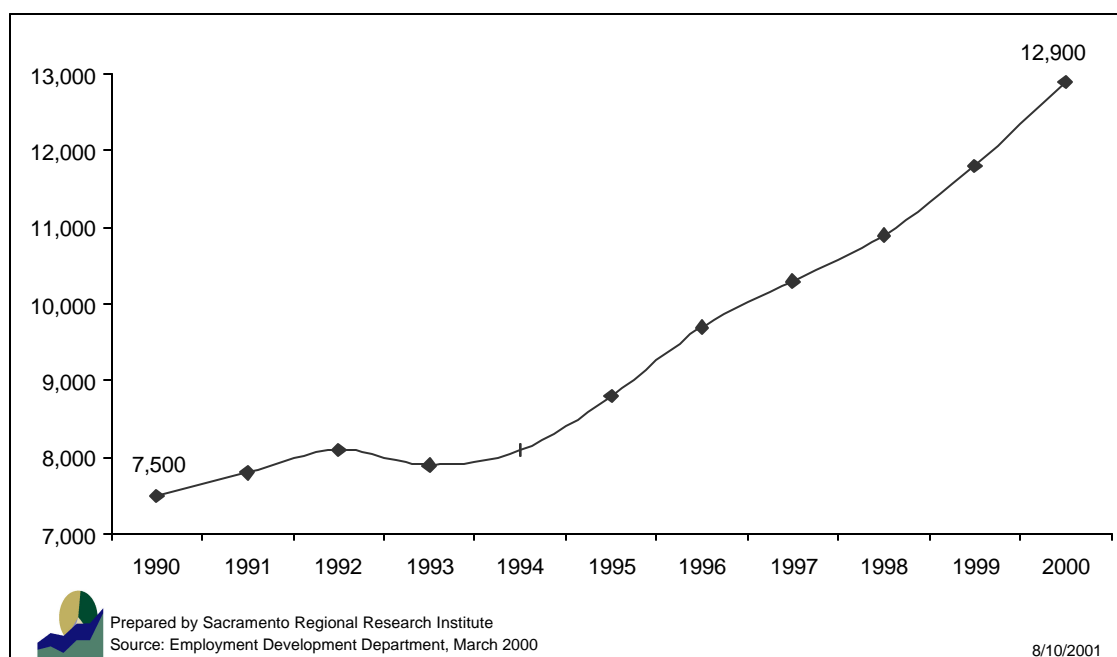
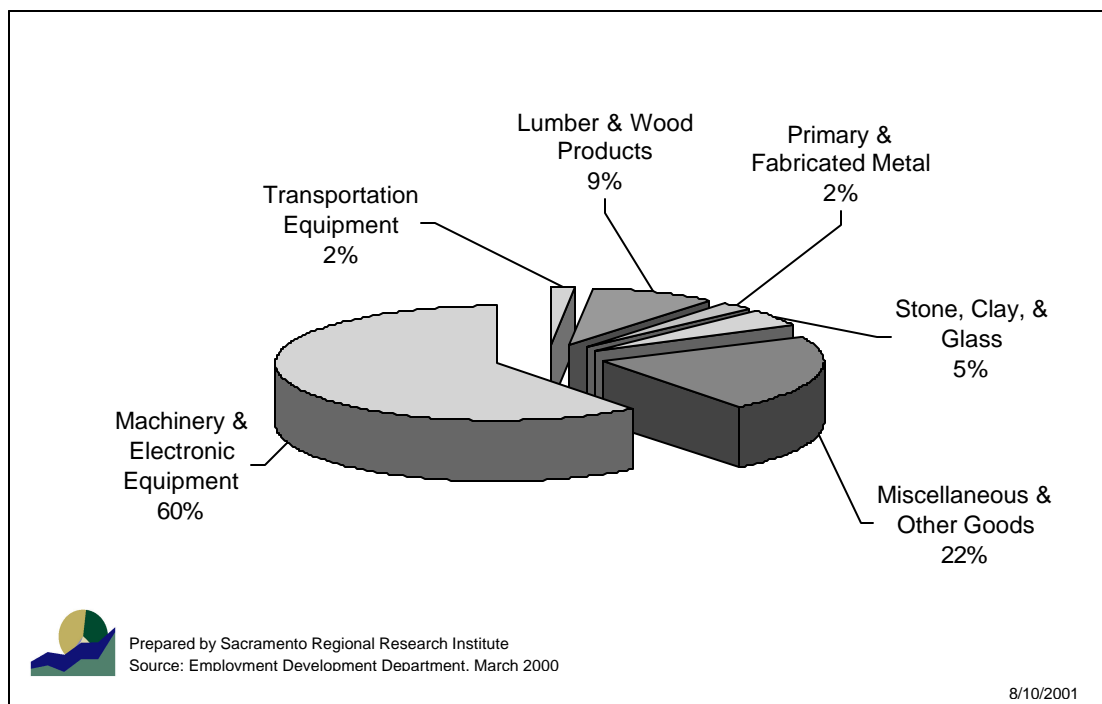


Figure 22 shows the components of manufacturing employment by sector. The data indicates that the largest employment category, electronic equipment, employs 60 percent of the manufacturing sector. The rapidly expanding size of this sector is due partially to the presence of Hewlett-Packard and NEC. Employment in these sectors increased every year during the 10-year period, including years in which the electronics industry elsewhere declined.

Other employers in the manufacturing sector include lumber and wood products, stone, clay and glass products, primary and fabricated materials, transportation equipment and other miscellaneous goods.

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FIGURE 22
COMPONENTS OF MANUFACTURING EMPLOYMENT IN PLACER COUNTY
 2000



WHOLESALE AND RETAIL TRADE

Retail and wholesale trade in Placer County are also fast growing segments of the economy, providing 25 percent of the regional employment. Figure 23 shows total taxable sales in Placer County. In Placer County, the majority of taxable sales revenue is obtained from retail outlets.

FIGURE 23
TAXABLE SALES
 (IN THOUSANDS OF DOLLARS)

Area	Taxable Sales - Total Outlets			Retail Sales 3rd Q 1999 - 2nd Q 2000	
	3rd Quarter 1998 thru 2nd Quarter 1999	3rd Quarter 1999 thru 2nd Quarter 2000	Percent Change	Total Retail Sales	Percent Retail
Placer County	3,706,491	4,321,912	16.6%	3,030,070	70.1%
Auburn	205,974	231,545	12.4%	161,798	69.9%
Colfax	37,459	41,435	10.6%	29,041	70.1%
Lincoln	55,315	70,528	27.5%	36,428	51.7%
Loomis	56,633	70,581	24.6%	39,769	56.3%
Rocklin	283,701	358,077	26.2%	260,363	72.7%
Roseville	1,847,092	2,121,776	14.9%	1,754,236	82.7%

Prepared by Sacramento Regional Research Institute
 Source: California State Board of Equalization, *Taxable Sales in California (Sales & Use Tax)*
 3rd Quarter 1998 thru 2nd Quarter 2000

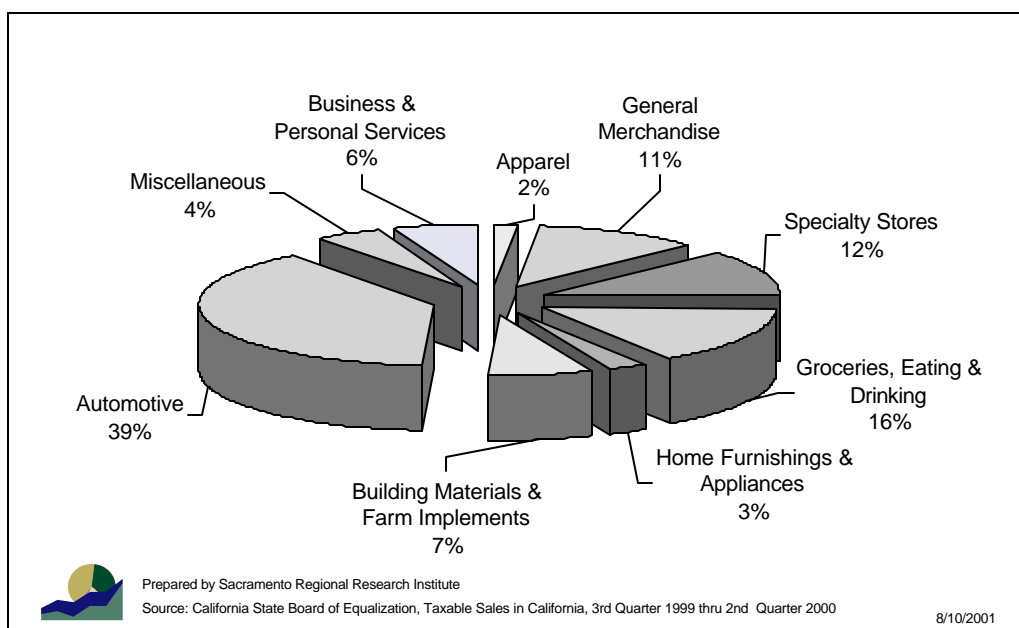
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Retail establishments in Placer County reported over \$4.3 billion annually in taxable sales through second quarter 2000, an increase of over 16 percent since the year before. The city with the greatest amount of annual taxable sales through second quarter 2000 is Roseville. Lincoln, Rocklin and Loomis experienced the largest increase in taxable sales between 1990 and 2000, at 28, 26 and 25 percent, respectively. Much of the increased revenue during this period can be attributed to the entry of larger retail outlets into the retail marketplace.

Figure 24 shows the composition of retail sales in Placer County. Retail sales are dominated by automotive (39%) and grocery stores and eating and drinking establishments (16%). These components account for over 50 percent of the retail sales volume. Other sizeable sectors are specialty stores (12%) and general merchandise (11%).

Between 1990 and 2000, wholesale trade employment in the Greater Sacramento Area increased from 1,600 to 4,100 employees, a whopping 156 percent increase, indicating the region's emerging role as a distributing center for the extended Central Valley. This sector is a major influence on the high rate of new warehouse construction in Placer County. A number of factors contributed to the increase in wholesale distribution activities. Among others, high levels of retail sales in Placer County encouraged many national retail chains to establish distribution points in the region.

FIGURE 24
COMPOSITION OF RETAIL SALES IN PLACER COUNTY
3rd QUARTER 1999 - 2nd QUARTER 2000



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BANKING AND FINANCE

The business community in Placer County is served by a complete network of banks, savings and credit union institutions. Placer County has numerous banking and savings institutions that are locally based. These institutions are shown in Figure 25.

FIGURE 25
LOCALLY BASED BANKING & SAVINGS INSTITUTIONS
 (IN THOUSANDS; SORTED BY DEPOSITS)

<i>Institution</i>	<i>City</i>	<i>Deposits</i>	<i>Assets</i>
Placer Sierra Bank	Auburn	\$784,054	\$916,020
Auburn Community Bank	Auburn	\$56,058	\$60,456
Capitol Valley Bank	Roseville	\$50,960	\$57,040
Five Star Bank	Rocklin	\$39,701	\$52,504

Prepared by Sacramento Regional Research Institute
 Source: FDIC, *Financial Data as of March 31 2001*

All major financial institutions have branch offices in Placer County, and the headquarters of several financial institutions are based in the region. Figure 26 ranks the top twelve banks, local and national/state, by market share in Placer County.

FIGURE 26
MARKET SHARE: TOP TEN BANKING & SAVINGS
INSTITUTIONS IN PLACER COUNTY
 INCLUDES LOCAL AND NATIONAL/STATE COMMERCIAL BANKS/SAVINGS
 INSTITUTIONS (IN THOUSANDS; SORTED BY MARKET SHARE)

<i>Rank</i>	<i>Institution</i>	<i>Deposits</i>	<i>% Market Share</i>
1	Bank of America	\$545,556	21.8%
2	Placer Sierra Bank	\$365,077	14.6%
3	Wells Fargo Bank	\$317,393	12.7%
4	U.S. Bank	\$237,024	9.5%
5	World Savings Bank	\$177,463	7.1%
6	Washington Mutual	\$152,877	6.1%
7	California Federal Bank	\$111,746	4.5%
8	Bank of the West	\$98,027	3.9%
9	Western Sierra National Bank	\$94,086	3.8%
10	First Bank of California	\$81,028	3.2%

Prepared by Sacramento Regional Research Institute
 Source: FDIC, *Financial Data as of June 30, 2000*